

<p align="center">2003-2004 ANNUAL REPORT</p>

ENTERPRISE FUNDS (CONT'D.)

General Purpose Parking Fund

The General Purpose Parking Fund accounts for the operations of City parking facilities and parking meters. Financing and capital construction of parking facilities are also accounted for within this fund.

***General Purpose
Parking Fund***

	Budget	Actual	Variance	Percent Variance
<i>Revenue</i>	\$ 9,795	\$ 10,109	\$ 314	3.2%
<i>Expenditure</i>	15,821	12,490	3,331	21.1%
<i>Fund Balance (est. *)</i>	16,196 *	17,315	1,119	6.9%

The positive revenue variance of \$314,000 is due to higher than anticipated revenues collected in City parking lots (\$216,000) and parking meters (\$138,000), which were partially offset by lower than budgeted interest and miscellaneous revenue collections (\$40,000). While 2003-2004 revenues exceeded deliberately conservative estimates, it should be noted that the economic slowdown combined with high office vacancy rates in the downtown have continued to depress transient and monthly parking revenues, so that total revenues were \$760,000 (7%) lower than 2002-2003 actual receipts. Although the 2003-2004 revenue variance to the budgeted figure is \$314,000, the estimates for 2003-2004 that were used in the development of the 2004-2005 Adopted Budget varied from actual year-end results by only \$49,000 or less than 1/2 of 1%.

Savings in the General Purpose Parking Fund for 2003-2004 resulted in a \$3.3 million positive variance from budgeted program expenditures. However, the 2003-2004 expenditure estimates used to develop the 2004-2005 Adopted Budget varied from actual year-end results by only \$1.1 million. A large portion of the variance to budget is due to expenditure savings in the Capital Program (\$2.1 million). The full \$2.1 million was rebudgeted to complete capital improvements as part of the 2004-2005 Adopted Capital Budget, including: the Third Street Garage Seismic Upgrade project (\$911,000); the Parking Guidance System project (\$637,000); the Facility Improvements project (\$400,000); and the Revenue Control Equipment Replacement and Integration project (\$148,000).

Most of the remainder of the expenditure variance was due to savings in Non-Personal/Equipment costs for the Department of Transportation, and to lower than estimated transfers. Non-Personal/Equipment expenses were \$948,000 (13.4%) below budgeted estimates

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ENTERPRISE FUNDS (CONT'D.)

General Purpose Parking Fund (Cont'd.)

due to disciplined management of contractual services costs and because several programs, such as valet/stack parking, car/vanpool programs and eco-pass subsidies were not implemented given the slowdown in the economy. Transfers were \$140,000 (15.8%) below the budgeted level due to lower than anticipated parking revenue at the Convention Center and the Fourth Street garages. The transfers are based on net surplus revenue received at these facilities.

The positive variance of \$1.1 million in the ending fund balance primarily reflects lower than estimated transfers for the Convention Center Garage, which were more than offset by lower than estimated expenditures in the Department of Transportation's Non-Personal/Equipment budget.